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DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

(A-570-970, C-570-971)

Multilayered Wood Flooring from the People's Republic of China: Initiation and Preliminary Results of Antidumping and Countervailing Duty Changed Circumstances Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce ("the Department") is simultaneously initiating, and issuing the preliminarily results of, changed circumstances reviews of the antidumping duty ("AD") and countervailing duty ("CVD") orders on multilayered wood flooring ("wood flooring") from the People's Republic of China ("PRC"). We preliminarily determine that Yihua Lifestyle Technology Co., Ltd. ("Yihua Tech") is the successor-in-interest to Guangdong Yihua Timber Industry Co., Ltd. ("Yihua Timber") for purposes of the AD and CVD orders on wood flooring from the PRC and, as such, is entitled to Yihua Timber's AD and CVD cash deposit rates with respect to entries of subject merchandise. Interested parties are invited to comment on this preliminary determination.

DATES: Effective (Insert date of publication in the *Federal Register*).

FOR FURTHER INFORMATION CONTACT: Jonathan Hill, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue NW., Washington, DC 20230; telephone: (202) 482-3518.

SUPPLEMENTARY INFORMATION:

Background

On December 8, 2011, the Department published the AD and CVD orders of wooding flooring from the PRC.¹ On July 28, 2016, Yihua Tech requested that the Department initiate expedited changed circumstances reviews (“CCR”) and determine that it is the successor-in-interest to Yihua Timber for purposes of determining AD and CVD liabilities.² On September 9, 2016, the Department requested from Yihua Tech additional information in order to determine whether to initiate the requested CCRs.³ On November 18, 2016, Yihua Tech submitted an amendment to its CCR Request, which included the additional information requested by the Department.⁴ Thus, the 45-day time period for the Department to determine whether to initiate the requested changed circumstances review began on this date.⁵ On December 23, 2016, the Department determined that additional time was necessary to consider Yihua Tech’s request for the changed circumstances reviews.⁶ Therefore, in accordance with 19 CFR 351.302(b), the Department extended the time period for determining whether to initiate the requested changed

¹ See *Multilayered Wood Flooring from the People’s Republic of China: Amended Final Determination of Sales at Less Than Fair Value and Antidumping Duty Order*, 76 FR 76690 (December 8, 2011); see also *Multilayered Wood Flooring from the People’s Republic of China: Countervailing Duty Order*, 76 FR 76692 (December 8, 2011, as amended, *Multilayered Wood Flooring from the People’s Republic of China: Amended Antidumping and Countervailing Duty Orders*, 77 FR 5484 (February 3, 2012) (“Orders”).

² See Letter from Yihua Tech to the Secretary of Commerce “Wooden Bedroom Furniture from the People’s Republic of China (AD) and Multilayered Wood Flooring from the People’s Republic of China (AD/CVD); Request for Changed Circumstances Review,” dated July 28, 2016 (“CCR Request”).

³ See Letter from Howard Smith, Program Manager, AD/CVD Operations, Office IV, Enforcement & Compliance to Yihua Tech dated September 9, 2016.

⁴ See Letter from Yihua Tech to the Secretary of Commerce “Wooden Bedroom Furniture from the People’s Republic of China (AD) and Multilayered Wood Flooring from the People’s Republic of China (AD/CVD); Amendment to Request for Changed Circumstances Review,” dated November 18, 2016 (“Amendment to CCR Request”).

⁵ See 19 CFR 351.216(b).

⁶ See Letter from Abdelali Elouaradia, Office Director, Office IV, AD/CVD Operations “Wooden Bedroom Furniture from the People’s Republic of China (Antidumping Duty Order) and Multilayered Wood Flooring from the People’s Republic of China (Antidumping Duty and Countervailing Duty Orders): Request for a Changed Circumstances Review,” dated December 23, 2016.

circumstances reviews by an additional 30 days, until February 1, 2017. The Department received no comments on Yihua Tech's CCR Request.

Scope of the Orders

The merchandise covered by the orders includes wood flooring, subject to certain exceptions. Imports of the subject merchandise are provided for under the following subheadings of the Harmonized Tariff Schedule of the United States ("HTSUS"): 4412.31.0520; 4412.31.0540; 4412.31.0560; 4412.31.2510; 4412.31.2520; 4412.31.3175; 4412.31.4040; 4412.31.4050; 4412.31.4060; 4412.31.4070; 4412.31.4075; 4412.31.4080; 4412.31.5125; 4412.31.5135; 4412.31.5155; 4412.31.5165; 4412.31.5175; 4412.31.6000; 4412.31.9100; 4412.32.0520; 4412.32.0540; 4412.32.0560; 4412.32.0565; 4412.32.0570; 4412.32.2510; 4412.32.2520; 4412.32.2525; 4412.32.2530; 4412.32.3125; 4412.32.3135; 4412.32.3155; 4412.32.3165; 4412.32.3175; 4412.32.3185; 4412.32.5600; 4412.39.1000; 4412.39.3000; 4412.39.4011; 4412.39.4012; 4412.39.4019; 4412.39.4031; 4412.39.4032; 4412.39.4039; 4412.39.4051; 4412.39.4052; 4412.39.4059; 4412.39.4061; 4412.39.4062; 4412.39.4069; 4412.39.5010; 4412.39.5030; 4412.39.5050; 4412.94.1030; 4412.94.1050; 4412.94.3105; 4412.94.3111; 4412.94.3121; 4412.94.3131; 4412.94.3141; 4412.94.3160; 4412.94.3171; 4412.94.4100; 4412.94.5100; 4412.94.6000; 4412.94.7000; 4412.94.8000; 4412.94.9000; 4412.94.9500; 4412.99.0600; 4412.99.1020; 4412.99.1030; 4412.99.1040; 4412.99.3110; 4412.99.3120; 4412.99.3130; 4412.99.3140; 4412.99.3150; 4412.99.3160; 4412.99.3170; 4412.99.4100; 4412.99.5100; 4412.99.5105; 4412.99.5115; 4412.99.5710; 4412.99.6000; 4412.99.7000; 4412.99.8000; 4412.99.9000; 4412.99.9500; 4418.71.2000; 4418.71.9000; 4418.72.2000; 4418.72.9500; and 9801.00.2500.

While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.⁷

Initiation of Changed Circumstances Reviews

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (“the Act”), and the Department's regulations (19 CFR 351.216 and 351.221(c)(3)), the Department will conduct a changed circumstances review of an order upon receipt of information concerning, or a request from an interested party for a review of, an order which shows changed circumstances sufficient to warrant a review of the order. In the past, the Department has used CCRs to address the applicability of cash deposit rates after there have been changes in the name of a respondent, (“successor-in-interest” or “successorship” determinations). The information submitted by Yihua Tech claiming that it is Yihua Timber’s successor-in-interest relates to a name change. Specifically, Yihua Tech reported that effective May 17, 2016, the Guangdong Provincial Administration for Industry and Commerce approved Yihua Tech’s change of name from Guangdong Yihua Timber Industry Co., Ltd. to Yihua Lifestyle Technology Co., Ltd., and approved a minor modification to Yihua Timber’s business scope.⁸ Thus, consistent with Department practice, the information submitted by Yihua Tech demonstrates changed circumstances sufficient to warrant a review.⁹ Therefore, in accordance with section 751(b)(1) of the Act and 19 CFR 351.216(d), the Department is initiating changed circumstances reviews to determine whether Yihua Tech is the successor-in-interest to Yihua Timber.

⁷ For a complete description of the Scope of the Orders, please *see* memorandum from Gary Taverman, Associate Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Ronald K. Lorentzen, Acting Assistant Secretary for Enforcement and Compliance “Multilayered Wood Flooring from the People’s Republic of China: Preliminary Decision Memorandum of Antidumping and Countervailing Duty Changed Circumstances Reviews,” dated concurrently with this notice (“Preliminary Decision Memorandum”).

⁸ *See* CCR Request at Attachment 1.

⁹ *See* 19 CFR 351.216(d).

Preliminary Results

When it concludes that expedited action is warranted, the Department may publish the notice of initiation and preliminary results of a CCR concurrently.¹⁰ The Department has combined the notice of initiation and preliminary results in successor-in-interest cases when sufficient documentation has been provided supporting the request to make a preliminary determination.¹¹ In this instance, because we have on the record the information necessary to support the request for a preliminary determination, we find that expedited action is warranted, and we are combining the notice of initiation and the notice of preliminary results, in accordance with 19 CFR 351.221(c)(3)(ii).

AD Methodology

In a CCR, we generally consider a company to be the successor to another company for AD cash deposit purposes if the operations of the successor are not materially dissimilar from those of its predecessor.¹² In making this determination, the Department examines a number of factors including, but not limited to, changes in: (1) management; (2) production facilities; (3) suppliers; and (4) customer base.¹³ While no one or several of these factors will necessarily provide a dispositive indication of succession, the Department will generally consider one company to be the successor to another company if its resulting operation is essentially the same

¹⁰ See 19 CFR 351.221(c)(3)(ii).

¹¹ See, e.g., *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China*, 81 FR 76561 (November 3, 2016) (“*Solar Cells PRC 2016*”), unchanged in *Crystalline Silicon Photovoltaic Cells, Whether or Not Assembled Into Modules, from the People's Republic of China: Final Results of Changed Circumstances Review*, 81 FR 91909 (December 19, 2016).

¹² *Id.*

¹³ See *Initiation and Preliminary Results of Antidumping Duty Changed Circumstances Review: Multilayered Wood Flooring from the People's Republic of China*, 79 FR 48117, 48118 (August 15, 2014), unchanged in *Multilayered Wood Flooring from the People's Republic of China: Final Results of Changed Circumstances Review*, 79 FR 58740 (September 30, 2014).

as that of its predecessor.¹⁴ Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity as the prior company, the Department will assign the new company the cash deposit rate of its predecessor.¹⁵

In its CCR Request (and its Amendment), Yihua Tech provided evidence demonstrating that its operations are not materially dissimilar from those of its predecessor.¹⁶ Specifically, Yihua Tech is managed and operated by the same management teams as those of Yihua Timber, with the exception of the change to the general manager, which occurred prior to the name change, and was unrelated to the name change.¹⁷ Further, Yihua has not added, or discontinued use of, wood flooring production facilities as a result of the change in name.¹⁸ Finally, there have been non-material changes to the company's suppliers,¹⁹ and no changes to the company's customer base.²⁰ Based on the foregoing, which is explained in greater detail in the Preliminary Decision Memorandum, we preliminarily determine that Yihua Tech is the successor-in-interest to Yihua Timber and, as such, that it is entitled to Yihua Timber's AD cash deposit rate with respect to entries of subject merchandise.

CVD Methodology

As a general rule, in a CVD CCR, the Department will make an affirmative CVD successorship finding (*i.e.*, that the respondent company is the same subsidized entity for CVD cash deposit purposes as the predecessor company) where there is no evidence of significant changes in: (1) the respondent's operations; (2) ownership; and (3) corporate or legal structure

¹⁴ *Id.*

¹⁵ See *Solar Cells PRC 2016* at 76562.

¹⁶ See generally CCR Request and Amendment to CCR Request.

¹⁷ See CCR Request at Attachments 1 and 5 and Amendment to CCR Request at Attachments 2 and 3.

¹⁸ See CCR Request at 4 and Attachment 4 and Amendment to CCR Request at 2-4 and Attachment 1.

¹⁹ See CCR Request at Attachment 9 and Amendment to CCR Request at Attachment 4.

²⁰ See CCR Request at Attachment 10.

during the relevant period (*i.e.*, the “look-back window”) that could have affected the nature and extent of the respondent's subsidy levels.²¹ Where the Department makes an affirmative CVD successorship finding, the successor’s merchandise will be entitled to enter under the predecessor's cash deposit rate.²²

As explained in greater detail in the Preliminary Decision Memorandum, we find no evidence of significant changes between Yihua Tech’s and Yihua Timber’s operations, ownership, or its corporate or legal structure that could have had an impact on Yihua Tech’s subsidies levels. Accordingly, we preliminarily determine that Yihua Tech is the successor-in-interest to Yihua Timber and, as such, that it is entitled to Yihua Timber’s CVD cash deposit rate with respect to entries of subject merchandise.

Should our final results remain the same as these preliminary results, we will instruct U.S. Customs and Border Protection to assign entries of subject merchandise exported by Yihua Tech the AD and CVD cash-deposit rates applicable to Yihua Timber, effective the date of publication of the final results.

Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.²³ Rebuttal briefs, which must be limited to issues raised in such briefs, may be filed not later than seven days after the date of publication of this notice.²⁴ Parties who submit case briefs or rebuttal briefs in these changed circumstances reviews are requested to

²¹ See *Certain Lined Paper Products from India: Notice of Initiation and Preliminary Results of Countervailing Duty Changed Circumstances Review*, 79 FR 38011, 38012 (July 3, 2014).

²² *Id.*; *Certain Pasta from Turkey: Preliminary Results of Countervailing Duty Changed Circumstances Review*, 74 FR 47225 (September 15, 2009).

²³ The Department is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for the filing of case briefs.

²⁴ The Department is exercising its discretion under 19 CFR 351.309(d)(I) to alter the time limit for the filing of rebuttal briefs.

submit with each argument: (1) a statement of the issue; and (2) a brief summary of the argument with an electronic version included.²⁵

Any interested party may request a hearing within 14 days of publication of this notice.²⁶ Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined.²⁷

All submissions, with limited exceptions, must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System ("ACCESS").²⁸ An electronically filed document must be received successfully in its entirety by 5 p.m. Eastern Time ("ET") on the due date. Documents excepted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with the APO/Dockets Unit in Room 18022 and stamped with the date and time of receipt by 5 p.m. ET on the due date.²⁹

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of these changed-circumstances reviews no later than 270 days after the date on which these reviews were initiated or within 45 days if all parties agree to the outcome of the reviews. We intend to issue and publish this initiation and preliminary results notice in accordance with

²⁵ See 19 CFR 351.309(c)(2) and (d)(2).

²⁶ The Department is exercising its discretion under 19 CFR 351.310(c) to alter the time limit for requesting a hearing.

²⁷ See 19 CFR 351.310(d).

²⁸ ACCESS is available to registered users at <https://access.trade.gov> and available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building.

²⁹ See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures: Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011).

sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3) of the
Departments regulations.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

February 1, 2017

Date
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